A GUIDE TO ESTATE TAXES

Massachusetts
Department of Revenue

The purpose of this publication is to provide taxpayers with general information about Massachusetts tax laws and Department of Revenue policies and procedures from January 1, 1986 through June 30, 1994. It is not designed to address all questions in detail, and taxpayers are encouraged to seek further guidance as described throughout this guide. Nothing contained within this publication supersedes, alters or otherwise changes any provisions of Massachusetts General Laws, Massachusetts Department of Revenue Regulations or Rulings or any other sources of the law.

Dear Family Member, Executor or Administrator:

January 1993

In July 1992, the Massachusetts Legislature restructured the state's tax laws by enacting provisions to phase down the Commonwealth's estate tax. By the time the law is fully implemented in 1997, the number of estates liable for estate taxes will have been reduced by 90 percent.

Beginning this year, Massachusetts will tax only estates worth $300,000 or more. This ceiling will be raised to $400,000 in 1994, $500,000 in 1995 and $600,000 in 1996. All property passing to surviving spouses from decedents dying on or after July 1, 1994 will be tax-free. In 1997, Massachusetts will adopt a sponge tax. The sponge tax, which is used by most other states, is a tax equal to the maximum allowable federal credit for state death taxes.

The Department of Revenue (DOR) has revised the Massachusetts Estate Tax Return and Instructions so that they reflect these changes and are as user–friendly as possible. If taxpayers have questions or concerns that require prompt attention, our Estate Tax Bureau is ready to help.

Our work to assist taxpayers in understanding important areas of state taxation is an ongoing effort at DOR. This updated guide helps us help you by outlining what your tax responsibilities are under the new law and how to fulfill them.

Sincerely,

Mitchell Adams
Commissioner of Revenue

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Introduction

*The Massachusetts estate tax covers the estates of persons who died on or after January 1, 1976. The estate tax is a transfer tax on the value of the decedent's estate **before** being distributed to any beneficiary.* The Massachusetts gross estate consists of all assets owned by the decedent at the time of death — real estate, stocks and bonds, bank accounts, life insurance, pensions and trusts, etc. — whether passing by will or otherwise. These assets include jointly owned property as well as property owned solely by the decedent. In addition, property transferred by the decedent before death also may be brought back into the decedent's gross estate, under certain circumstances. Therefore, an estate tax return may be due whether or not the estate must be probated. Real estate and tangible personal property actually located outside of Massachusetts are not included in a decedent's Massachusetts gross estate.*

The Massachusetts estate tax is patterned after the federal estate tax law as it existed on January 1, 1975. This guide explains the estate tax law that covers estates of those who died on or after January 1, 1986. For deaths before 1986, you should contact DOR's Estate Tax Bureau at (617) 727-4448 for more information since different rules may apply.

(This is an important change from the previous inheritance tax, which covers estates of those who died before January 1, 1976; under the earlier system, the tax falls on the value of a decedent's property **after it is received by any beneficiary.)*

Definitions

Administrator: *A person appointed by the Probate Court to settle an estate of an individual who died leaving no will.*

Code: *For estate tax purposes, Massachusetts adopts the Internal Revenue Code of the United States, in effect on January 1, 1975, unless otherwise specified in the Massachusetts General Laws.*

Domicile: *A person's permanent and principal home.*

Executor: *The person named in the will and appointed by the Probate Court to execute the provisions of a will. If no one is appointed, the term includes any individual charged with filing the return and paying the tax.*

Federal Gross Estate: *The value of property or interest therein as defined by the Internal Revenue Code in effect on January 1, 1975. The property may be vested or contingent, real or personal, tangible or intangible, jointly held or in the decedent's name alone and wherever situated, beneficially owned by the decedent at the time of death.*

Intangible Property: *Property that does not have value in itself but represents value such as stocks, bank accounts, insurance and pensions.*

Lien: *A legal claim by the Commonwealth automatically placed on all property in the Massachusetts gross estate on the date of death.*

Massachusetts Adjusted Gross Estate: *The Massachusetts net estate less administrative expenses, expenses incurred in administering property not subject to claims and net losses.*

Massachusetts Gross Estate: *The federal gross estate, whether or not a federal return is required to be filed, less the value of real and tangible property located outside the Commonwealth and property previously taxed under general powers of appointment.*

Massachusetts Net Estate: *The Massachusetts gross estate less allowable deductions for funeral expenses, claims against the estate and unpaid mortgages and indebtedness on property included in the Massachusetts gross estate.*

Massachusetts Taxable Estate: *The Massachusetts adjusted gross estate less the charitable deduction and the marital deduction.*

Nonprobate Property: *Property owned by or in which the decedent had an interest on the date of his or her death and which passes by provisions other than by will or the laws of intestacy such as assets held jointly or by trust, life insurance not payable to the estate, etc.*

Person in Possession: *Any person in actual or constructive possession of any property of the decedent, including probate and nonprobate property such as jointly owned assets or life insurance.*

Probate Property: *All assets that were owned by the decedent in his or her name alone or as tenant in common on the date of his or her death and that pass by will or by the laws of intestacy.*

Resident: *Any person whose permanent and principal home is in the Commonwealth.*

Tangible Personal Property: *Property that is movable and has a visible existence and a value of its own, such as automobiles, boats, equipment, furniture, jewelry, coin collections and silver.*

Filing and Payment Information

Who must file, and how is it done?

The executor, administrator or person in possession of the property of a decedent who was domiciled in Massachusetts on the date of his or her death must file a Massachusetts Estate Tax Return (Form M-706) if any of these three conditions are present:

- *The Massachusetts gross estate exceeds $200,000 for dates of death between January 1, 1986 and December 31, 1992; $300,000 for dates of death between January 1, 1993 and December 31, 1993; or $400,000 for dates of death between January 1, 1994 and June 30, 1994; or*

- *A release of lien on real estate (Form M-792) is needed; or*

- *A Massachusetts Estate Tax Closing Letter (Form M.E.C.L.) is needed.*

The executor, administrator or person in possession of the property of a nonresident decedent who owned real estate or tangible personal property located in Massachusetts on the date of his or her death also must file Form M-706 if any of the above three conditions exist. In addition, the return for a nonresident decedent also must include the Massachusetts Nonresident Affidavit (Form M-NRA) in duplicate.

The person executing and filing the return in every case is personally liable for payment of any tax shown on the return if it is not otherwise paid. The return, the tax payment and a separate check for the $10 filing fee should be sent to the Massachusetts Estate Tax Bureau, P.O. Box 7023, Boston, MA 02204.

When must the return be filed?

Where the gross estate currently exceeds the filing threshold, the return and payment of tax, if any, together with a separate check for the $10 filing fee are due nine months after the date of the decedent's death.

Can an extension of time to file be granted?

An extension of time to file (Form M-4768) may be granted for a reasonable period, provided the application is made on or before the due date of Form M-706, and 100 percent of the estimated amount of tax is paid. Failure to pay 80 percent of the amount of tax finally determined to be due on or before the due date will void any extension of time, and the return will be subject to penalty. Interest is due on any unpaid tax from the original due date. (Please see the next page for more information on interest rates.)

Can an extension of the payment due date be granted?

An extension of time to pay (Form M-4768A) may be granted for a reasonable period, not to exceed six months. However, when an extension of time to pay is granted, interest on any unpaid tax accrues from the original due date. An extension is granted only for reasonable cause. A further extension of up to three years from the due date may be granted upon a showing of undue hardship.

What happens if the return is late?

Failure to file a required return within nine months from the date of death or within an approved period of extension will result in penalties and interest being applied to the unpaid balance of tax at the following rates:

- *Late Filing Penalty — 1 percent per month to a maximum of 25 percent of the tax as finally determined to be due.*

- *Late Payment Penalty — 1/2 percent per month to a maximum of 25 percent of the tax reported as due on the return.*

- *Interest — Starting with interest accruing on or after January 1, 1993, the Massachusetts interest rate will be the federal short-term rate (which can change quarterly) plus 4 percentage points, compounded daily, both for underpayments and overpayments of state taxes. If you wish to obtain information on these rates, please call DOR's Taxpayer Assistance Bureau at (617) 727-4545 or toll-free in Massachusetts at 1-800-392-6089. Rates also are published each quarter in the Taxpayer Advisory Bulletin. The previous 18 percent simple interest rate applies to all interest accruing before January 1, 1993, even if the underlying liability is not assessed until later.*

There are other consequences besides these penalty and interest charges. At the time of death, a lien automatically is placed by the Commonwealth of Massachusetts on all real estate owned by a decedent, either alone or jointly held. Failure to file an estate tax return (Form M-706) will prevent the issuance of a release of this lien (Form M-792). A release of this lien is necessary to obtain clear title and to sell or otherwise transfer ownership of the real estate.

When is a release of lien necessary?

In general, a Certificate Releasing Massachusetts Estate Tax Lien (Form M-792) is necessary for real estate owned jointly or as tenants by the entirety, real estate held in trust and other real estate that is not part of the probate inventory but is includible in the gross estate. Form M-792 also may be required for probate real estate where there is a sale pending (or mortgage commitment) and no closing letter has been issued.

If the return has been filed previously, the taxpayer should forward a copy of the purchase and sale agreement (or mortgage commitment) and indicate that a return has been filed in order to expedite issuance of Form M-792.

Where the return has not yet been filed, an application for an expeditious release of lien (Form M-4422) may be filed, provided all three of the following conditions exist:

- *The Massachusetts gross estate exceeds $200,000 for dates of death between January 1, 1986 and December 31, 1992; $300,000 for dates of death during 1993; or $400,000 for dates of death during 1994;*
- *The due date of the return has not passed, and Form M-706 cannot be completed prior to the date of sale; and*
- *There is an executed purchase and sale agreement (or mortgage commitment).*

The application must be filed with Form M-792 in triplicate, an attested copy of the deed, a copy of the purchase and sale agreement (or mortgage commitment) and payment of the estimated amount of the tax due. A completed Form M-706 still must be filed within nine months of the date of death.

What documents must accompany the M-706?

Various documents must be filed with the return. Failure to file them will delay the return's processing. The major supporting documents required to be filed with Form M-706, where applicable are:

- *An attested copy of the will (if any) and a copy of the petition for probate or administration listing the heirs at law.*
- *A copy of the Federal Form 706, if required to be filed, with all related documents.*
- *A copy of the federal letter of acceptance and line adjustments, if any. This copy must be submitted within two months of receipt, accompanied by a completed Report of Federal Estate Tax Change (Form M-706FC).*
- *Form M-792 (Certificate of Release of Lien) in triplicate for each parcel of real estate where a release of lien is required. A copy of the deed or certificate of title, and the purchase and sale agreement or mortgage commitment, if any, should be supplied.*
- *An affidavit of contribution, with supporting evidence from the surviving joint owner (except a spouse) if less than the full value of any jointly owned property is included in the gross estate.*
- *Federal Form 712 from any insurance company issuing a life insurance policy on the life of the decedent.*

- *A copy of the pension or annuity plan if the decedent was receiving or was entitled to receive a pension or annuity, or if his or her death caused any annuitant to receive a pension or annuity. For qualified plans, a copy of the federal qualification letter and computation of the includible amount must be submitted.*

- *The financial statements and tax returns for five preceding years of any closely held corporation, partnership or proprietorship or other business in which the decedent had an interest.*

- *A copy of the trust instrument if the decedent created or had an interest in a trust.*

- *Professional appraisals for all real estate and personal effects having a value in excess of $3,000 may be required in certain instances.*

- *Any other relevant documents.*

How must property included in the estate be valued?

All property includible in the Massachusetts gross estate is reported at the fair market value on the date of the decedent's death or on an alternate valuation date six months later. Special rules apply to the valuation of farm property. For further information on these rules, please contact the Estate Tax Bureau at (617) 727-4448.

What property must be included in the Massachusetts gross estate?

Real estate

All real estate in the decedent's name alone, as tenant in common or jointly owned, or any interest in real estate is includible in the Massachusetts gross estate if the real estate is located in Massachusetts. For each parcel of real estate, give a brief description, including parcel size, building description, location, assessed value and fair market value at the time of death. A copy of a purchase and sale agreement, appraisal or other evidence of value also should be included.

Stocks and bonds

All stocks and bonds in the decedent's name alone or jointly held at the date of death are includible in the Massachusetts gross estate. Stocks and bonds must be described fully, indicating the name of the corporation, the number of shares, whether common or preferred, price per share and the fair market value, including dividends and interest as of the date of death.

For closely held corporations, submit financial statements for the preceding five years with the return.

Mortgages, notes and cash

All mortgages, notes and cash, whether in the decedent's name alone or jointly held, and wherever located at the date of death are includible in the Massachusetts gross estate. Bank accounts are to be listed indicating name of bank, account number, type of account and balance plus accrued interest as of the date of death. Any mortgage or promissory note owed to the decedent is valued at the unpaid balance of principal plus accrued interest as of the date of death.

Life insurance

In general, if the decedent retained any "incidents of ownership," the full amount of the proceeds of all insurance on the decedent's life, payable to the estate or to a named beneficiary, is includible in the Massachusetts gross estate. Federal Form 712, issued by the insurance company, should be submitted for all insurance policies on the life of the decedent. Policies on the life of another person also are includible if owned by the decedent.

Jointly owned property

All jointly owned property, whether real estate, tangible personal property, bank accounts, stocks, bonds, etc., must be disclosed on the schedule designated for jointly owned property, Schedule E of Form M-706. Jointly owned real estate or tangible personal property located outside of Massachusetts is not included in the Massachusetts gross estate. The value of joint property includible in the Massachusetts gross estate is:

- *One-half the value of any property held by the decedent and spouse as tenants by entirety or joint tenants regardless of their respective contributions to the acquisition of these assets. This rule applies only if the decedent and the spouse are the only joint tenants.*

Example: *David and Jane purchased a house in 1960 for $60,000 as tenants by the entirety. All of the funds used to buy the home were derived from David's earnings. He dies in 1986, by which time the house appreciated in value to $420,000. The value of his interest in the house must be included on Schedule E, Form M-706 at $210,000.*

Example: *Same facts as in the previous example except Jane dies in 1986. Regardless of the fact that Jane did not contribute funds to the purchase of the home, one-half of its value ($210,000) must be reported on Schedule E of her estate tax return (M-706).*

- *On joint property held between a decedent and a person other than a spouse, the full and fair market value at the time of the decedent's death is includible. An affidavit of contribution, supported by evidence from the surviving joint owner, must be submitted with the return if it is contended that the decedent provided less than 100 percent of the funds necessary to purchase such property.*

Example: *Joe and Bill are brothers. In 1975, they acquire title to a building as joint tenants. Joe provides 60 percent of the funds to buy the building, and Bill provides 40 percent. Bill dies in 1990 when the building is worth $250,000. The executor reports Bill's interest on Schedule E of the estate tax return (M-706) at $100,000. Joe must furnish an affidavit of contribution giving all the details surrounding the purchase of the building to sustain his claim of 60 percent contribution, or the full $250,000 will be included in Bill's estate.*

Example: *An elderly widow, Carol, has a bank account in her own name having a balance of $25,000. To assist in managing her affairs, Carol transfers the account to joint ownership with her daughter, Diane. Shortly thereafter, Diane dies unexpectedly. Carol may submit an affidavit stating that the transfer to joint ownership was for her sole convenience, and that no portion of the account should be includible in Diane's estate.*

Miscellaneous property

All property not specified elsewhere that is owned by the decedent at the time of death must be included in the Massachusetts gross estate. This category includes all unincorporated businesses (e.g., a sole proprietorship or partnership), tax refunds, debts owed to the decedent, Qualified Terminable Interest Property (QTIP) for which a Massachusetts marital deduction was allowed previously in the estate of the first spouse to die and tangible personal property located in Massachusetts. The fair market value at the time of death must be supported by appraisals, financial statements and any other relevant evidence.

Transfers during decedent's life

Any transfers made by the decedent during his or her life, by trust or otherwise, other than bona fide sales for an adequate and full consideration in money or money's worth, may be subject to tax and must be disclosed on the return. Examples of transfers that must be disclosed follow.

Transfers made within three years of death

The value of property or any interest therein transferred by the decedent or subject to a power relinquished, exercised or released within three years of death is included in the gross estate if the total value of transfers exceed $10,000 per recipient during any calendar year.

Example:

Date of Death: May 1, 1992

Three Year Test: May 1, 1989

Calendar Years: May 1, 1989–December 31, 1989
January 1, 1990–December 31, 1990
January 1, 1991–December 31, 1991
January 1, 1992–May 1, 1992

If the decedent made a gift of $10,000 on January 1, 1989 and a gift of $5,000 on June 1, 1989, his or her gifts for the calendar year total $15,000, an amount greater than the $10,000 threshold. The January 1 gift, however, is not considered in determining whether the $10,000 per year threshold has been exceeded since only transfers within three years (36 months) of the decedent's death may be considered. Consequently, neither the January 1 gift of $10,000 nor the June 1 gift of $5,000 are included in the gross estate.

A special rule applies to the estate tax lien on real estate transferred within three years of death. If real estate is transferred by the decedent within three years of death for less than full consideration, and if the deed effecting this transfer is recorded prior to the decedent's death, and if the transferee later conveys this property to a bona fide purchaser for adequate consideration, then the lien for the decedent's estate tax liability is divested from this real estate and shifted to all other assets of the person who received the real estate from the decedent.

Example: *Don makes a gift of real estate to his son on June 1, 1986. The deed is recorded immediately by the son. Don dies January 1, 1987. On April 1, 1987, the son sells the property for $50,000, its fair market value. The transfer from Don to his son is includible in the Massachusetts gross estate. However, the purchaser takes title free of any lien for the decedent's Massachusetts estate tax, and the lien shifts to all of the assets of the son.*

Transfers with retained life estate

Transfers whereby the decedent retained the possession or enjoyment of, or the right to the income from, the transferred property are included in the gross estate.

Example: *Katherine owns a summer cottage on Cape Cod. In July 1991, she conveys this property to her son. However, she retains the right to enjoy the property for her own life. Katherine dies in September 1991 at which time the cottage has a fair market value of $75,000. This property must be reported on Schedule G of Form M-706, valued at $75,000, since she retained the right to use and enjoy the cottage at the time of the transfer to her son.*

Transfers with retained right to designate

Transfers whereby the decedent retained the right to designate the persons who shall possess or enjoy the transferred property, or the income therefrom, are included in the gross estate.

Example: *On July 1, 1993, Michael creates a trust and funds it with $500,000 of stock, bonds and cash. He does not retain any beneficial interest in the trust, but he does retain the right to change the beneficiaries of the trust and to change the size of the shares of the beneficiaries. Michael dies on September 1, 1993 at which time the value of the trust has increased to $600,000. This trust must be included in his estate tax return (Form M-706) on Schedule G at $600,000 since he retained the power to change beneficiaries and to control the size of the beneficiaries' shares of the trust.*

Transfers taking effect at the decedent's death

Transfers under which possession or enjoyment of the property can be obtained only by surviving the decedent are included in the gross estate if the decedent retained a reversionary interest in the property that immediately before his or her death had a value in excess of 5 percent of the value of transferred property.

Transfers with retained powers

Transfers under which the enjoyment of the transferred property was subject at the decedent's death to any change through the exercise of a power to alter, amend, revoke or terminate are included in the gross estate.

Example:

Richard creates a trust for the benefit of his children in 1970. The trust is funded with $100,000 of common stock. In the trust instrument, Richard retains the power to alter the provisions of the trust or to revoke the trust at his discretion. Richard dies on July 1, 1992 without having altered or revoked the trust. At his death, the trust was worth $250,000. The full value of this trust must be included in Richard's gross estate due to these retained powers.

Powers of appointment

A general power of appointment is a power given to the decedent by someone else to control the disposition of property rather than a power that the decedent may have reversed to himself or herself. If created after October 21, 1942, a general power of appointment is taxable in the decedent's estate whether or not it was ever exercised. A copy of the instrument granting the power must be filed with the return.

Annuities, pensions, etc.

Certain pensions, annuities or other payments are included as part of the gross estate of the decedent. The full value of 1) non-qualified plans, 2) Individual Retirement Accounts and 3) Keogh or H.R. 10 plans must be included and described fully. Qualified pension, profit-sharing or stock-bonus plans that meet certain federal requirements are includible to the extent of the value attributable to the decedent's contributions to the plan. A copy of the Internal Revenue Service determination letter and computation of the includible amount must be submitted.

What may be deducted from the decedent's gross estate?

The value of the Massachusetts taxable estate is determined by deducting from the Massachusetts gross estate reasonable amounts for funeral and administrative expenses, debts of the decedent, unpaid mortgages, losses of the estate, charitable bequests and marital deductions. These deductions are allowable on the Massachusetts Estate Tax Return if they are allowable under the Internal Revenue Code (in effect January 1, 1975 unless otherwise specified) and are attributable to property included in the Massachusetts gross estate. Consult the Estate Tax Bureau at (617) 727-4448 for more information.

Funeral expenses

Funeral expenses must be itemized and are limited to a reasonable amount actually paid, less any reimbursements such as death benefits payable by the Veterans Administration or the Social Security Administration.

Administration expenses

Administration expenses must be itemized and include executor's commissions, attorney's fees and miscellaneous expenses (e.g., court costs, accountant's fees, appraiser's fees). The deductions are limited to a reasonable amount actually paid or an amount, determined to the satisfaction of the Commissioner, that will be paid.

NOTE: Executor's commissions and attorney's fees constitute taxable income to the recipient.

Debts of decedent

Debts of the decedent are allowable deductions only if they are personal obligations existing at the time of death, are enforceable claims against the decedent's estate and are attributable to property included in the Massachusetts gross estate. All debts must be itemized and supporting evidence submitted upon request.

Mortgages and liens

The full value of a mortgage or lien as of the date of death is deductible only if the full value of the property is included in the Massachusetts gross estate. On jointly held or tenant in common property where only a portion is included in the Massachusetts gross estate, only a corresponding portion of the mortgage is allowable as a deduction. Identify each mortgage or lien by indicating the corresponding asset in the gross estate.

Losses

Losses are strictly limited to those arising during the administration of the estate from fire, storm, theft or other casualty. Losses must be itemized and must be reduced by the amount of any insurance or other reimbursement.

Marital deduction

Until June 30, 1994, the Massachusetts marital deduction is limited to the amount of property included in the Massachusetts gross estate actually passing to the surviving spouse, including Qualified Terminable Interest Property (QTIP), or one-half of the Massachusetts adjusted gross estate, whichever is less.

QTIP is property included in the decedent's Massachusetts gross estate in which the surviving spouse is given a qualifying income interest for life. In order for the income interest to be qualifying, the spouse must be entitled to all the income payable at least annually. In addition, no person can have a power to appoint any part of the property to any person other than the surviving spouse except if said power is exercisable at or after the death of the surviving spouse.

An irrevocable election must be made by the executor on a timely filed estate tax return in order for the deduction to be allowed. If the election is made, the QTIP property will be included in the gross estate of the surviving spouse at his or her death.

The law adopts a full marital deduction for all property passed to surviving spouses from decedents dying on or after July 1, 1994.

Charitable deduction

Charitable transfers, which are allowable under the Internal Revenue Code (in effect as of January 1, 1975 unless otherwise specified), are allowable for Massachusetts estate tax purposes, provided that the charitable transfers are attributable to property included in the Massachusetts gross estate.

In addition, a charitable deduction will be allowed for any instrument which was the subject of a qualified reformation under the Internal Revenue Code (in effect as of January 1, 1985), provided that the charitable transfers are attributable to property included in the Massachusetts gross estate.

A copy of the instrument granting the transfer and a copy of the computation showing how the value was determined must be submitted with the return.

How is the Massachusetts estate tax computed?

If the Massachusetts net estate is $200,000 or less for dates of death between January 1, 1986 and December 31, 1992; $300,000 or less for deaths during 1993; or $400,000 or less for deaths during 1994, there will be an exemption equal to the Massachusetts net estate, and no tax will be due.

If the Massachusetts net estate exceeds the filing threshold, there will be no exemption. However, for dates of death between January 1, 1986 and December 31, 1992, there is a credit against the Massachusetts estate tax equal to $1,500, or the actual estate tax, whichever is less.

The Massachusetts estate tax is computed by referring to the statutory rate table found on the next page and then deducting the credit of up to $1,500 for dates of death between January 1, 1986 and December 31, 1992. However, this tax after credit cannot exceed 20 percent of the amount by which the net estate exceeds $200,000.

For 1993 and 1994, there is no credit, but the tax cannot exceed 20 percent of the amount by which the net estate exceeds $300,000 or $400,000 respectively.

Can the tax liability be adjusted after the M-706 is filed?

A taxpayer who believes that the assessed tax liability is excessive may apply to the Commissioner of Revenue for an abatement within three years from the due date of the return without regard to any extension of time, within two years from the date the tax was assessed or within one year from the date the tax was paid, whichever occurs latest.

An application for abatement containing all essential information must be filed with the Abatement Bureau on Form CA-6. A request for a conference must be indicated on the abatement application. The taxpayer will be notified in writing of the Commissioner's decision. If the abatement is denied in whole or in part, the taxpayer may, within 60 days from the notice of denial, appeal to the Appellate Tax Board on all issues or to the Probate Court on all issues except valuation.

Massachusetts Estate Tax Table

If the Mass. taxable estate* is:		The Mass. estate tax will be:**
Over	**But not over**	
$0	$50,000	5 percent of the taxable estate
$50,000	$100,000	$2,500 plus 7 percent of the excess over $50,000
$100,000	$200,000	$6,000 plus 9 percent of the excess over $100,000
$200,000	$400,000	$15,000 plus 10 percent of the excess over $200,000
$400,000	$600,000	$35,000 plus 11 percent of the excess over $400,000
$600,000	$800,000	$57,000 plus 12 percent of the excess over $600,000
$800,000	$1,000,000	$81,000 plus 13 percent of the excess over $800,000
$1,000,000	$2,000,000	$107,000 plus 14 percent of the excess over $1,000,000
$2,000,000	$4,000,000	$247,000 plus 15 percent of the excess over $2,000,000
$4,000,000		$547,000 plus 16 percent of the excess over $4,000,000

*Please see page 5 for definitions of Massachusetts taxable estate and Massachusetts net estate.

**Exception: Provided, however, that the tax, less any available credit, will not be greater than 20 percent of the amount by which the Massachusetts net estate (Form M-706, Item 3) exceeds the estate tax exemption.

- If the date of death is between January 1, 1986 and December 31, 1992 inclusive, the estate tax exemption is $200,000.
- If the date of death is between January 1, 1993 and December 31, 1993 inclusive, the estate tax exemption is $300,000.
- If the date of death is between January 1, 1994 and June 30, 1994 inclusive, the estate tax exemption is $400,000.

Forms and Where to Get Help

Where can I get estate tax information and forms?

Personal estate tax assistance is available by visiting the Estate Tax Bureau at 215 First Street, Cambridge or by calling the Estate Tax Hotline at (617) 727-4448, Monday through Friday from 9 a.m. to 12 noon and 1 p.m. to 4 p.m. Forms are also available at any DOR District Office.

Estate Tax personnel periodically visit selected offices to offer assistance. To find out when and where, please call the Estate Tax Hotline.

In order to comply with the Massachusetts estate tax law, you may need to use one or more of the following tax forms:

Form Number	Title
M-706	Massachusetts Estate Tax Return
M-792	Certificate Releasing Massachusetts Estate Tax Lien
M-NRA	Nonresident Affidavit
M-4422	Application for Certificate Releasing Massachusetts Estate Tax Lien
M-4768	Application for Extension of Time to File the Massachusetts Estate Tax Return
M-4768A	Application for Extension of Time to Pay Massachusetts Estate Tax
M-706FC	Report of Federal Estate Tax Changes
M-706N	Agreement for Special Use Valuation

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Department of Revenue Offices:
Toll-free in Massachusetts
1-800-392-6089

(617) **727-4545**	**Boston Headquarters** 100 Cambridge Street, MA 02204
(508) **678-2844**	**Fall River** 218 South Main Street, MA 02721
(413) **499-2206**	**Pittsfield** 333 East Street, MA 01201
(413) **784-1000**	**Springfield** 436 Dwight Street, MA 01103
(508) **792-7300**	**Worcester** 75A Grove Street, MA 01605

Taxpayers can contact the IRS at 1-800-829-1040 for federal tax information.